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Sessional Committee I

DRAFT REPORT OF SESSIONAL COMMITTEE I

Rapporteur: Mr. Rénald Clérismé (Haiti)

ITEM 5 (continued)

Speakers: Nigeria (for African Group)
Ireland (for European Union)
China
Japan
Islamic Republic of Iran

Note for Delegations

This draft report is a provisional text circulated for clearance by delegations.

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Chapter II

UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s AND THE ROLE OF UNCTAD IN THE IMPLEMENTATION OF THE UNITED NATIONS SYSTEM-WIDE SPECIAL INITIATIVE ON AFRICA

(Agenda item 5)

(continued)

69. The spokesman for the **African Group** (Nigeria) said that Africa was a continent beset by economic and social crises despite its abundant natural resources and all the efforts exerted for development. The various special programmes initiated by international organizations had not made any meaningful impact. The continent continued to suffer from economic decline, falling per capita income and worsening social conditions. The high annual rate of population growth exacerbated the situation.

70. In an endeavour to halt or reverse this situation, many African countries had pursued economic reforms for more than a decade. These were designed to correct fundamental economic imbalances and support the development of the private sector. However, the expected gains, such as increased foreign direct investment in Africa, had not materialized. In spite of all these setbacks, African countries had pressed ahead with efforts to facilitate the effective development and utilization of human resources, harness their vast natural resources, mobilize both domestic and foreign financial resources for development and strengthen regional and subregional cooperation and integration.

71. He reminded the Board that the establishment of the UN-NADAF was meant primarily to focus attention on the development needs of African countries in order to provide supportive actions in line with Africa's priorities and to stimulate the political support needed to ensure that timely action was taken to remove some of the obstacles for development in Africa. He said that the objective of the UN-NADAF, however, had not been achieved.

72. Of particular concern was Africa's debt which stood at US$ 317 billion. He acknowledged that the creditors had addressed the debt issue to some extent through concessional bilateral arrangements, support to the IDA buy-back facility and adoption of the Naples Terms. External debt, however, remained a major constraint to Africa's development.

73. Africa's economic structures prevented a smooth progress and integration into the global economy. Africa also continued to fail to attract sufficient levels of foreign direct investment. He called upon UNCTAD to implement the programme of activities for investment promotion already identified by the Board. In addition, there was a need to facilitate the development of the physical infrastructure.

74. He concluded by reiterating that the UN-NADAF had not, in any way, achieved its primary objectives. The much expected international political support that could encourage the inflow of investment and financial flows had been disappointing. He called upon the international community to come up with concrete actions in the provision of assistance to Africa in: market access; commodity diversification; foreign direct investment; development of small- and medium-size enterprises; regional integration; and development of relevant technology, as well as infrastructural development. He called for a new form of development partnership that was more focused on policies and programmes and the development of local capacities.

75. The representative of **Ireland**, speaking on behalf of the **European Union**, reaffirmed the European Union's commitment to the development of Africa. She said that the New Agenda had helped to raise political awareness about the special situation of Africa. She said that the UN System-wide Special Initiative for Africa was a means through which a coordinated approach could be taken to implement the objectives of UN-NADAF.

76. The major challenge ahead was the integration of African economies, especially the least developed countries, into the world trading system, against a background where the share of world trade of the poorest countries had fallen significantly in recent years.

77. She pointed out that under the Lomé Convention all industrial products and most agricultural products originating from African member States had guaranteed free access to the European Union market. The Lomé IV Convention further granted concessions for agricultural products and more favourable rules of origin for industrial products.

78. In addition, she stated that her group recognized that debt relief measures were an essential part of any strategy aimed at restoring the economic viability of the poorest and most heavily indebted countries.

79. On the Special Initiative for Africa, she said that her group welcomed the fact that the initiative was to focus, coordinate and enhance the effectiveness

of the work of United Nations agencies in Africa. She also welcomed the close involvement of the Bretton Woods Institutions and the African Development Bank. The European Union strongly agreed with the emphasis of the Special Initiative on strengthening the delivery capacity of African countries in the social sectors and satisfying the basic needs of their populations.

80. It was important, however, to recognize that many projects and initiatives, promoted by national governments with the support of the donor community, already existed in Africa. In developing programmes at the country level, these needed to be taken into account. There should be a full understanding of the sectoral needs, priorities and capacities and respect for the recipient governments' ownership of their development programmes.

81. She called upon UNCTAD to provide assistance to African countries in dealing with the administrative and procedural causes of the still excessively high transport and transactions costs associated with internal and external trade in Africa. UNCTAD could also help in strengthening African countries' capacity to manage newly competitive markets in transport, communications and the supply of public utility services so that these countries could benefit to the maximum from the opportunities opened to them by the advent of new technologies and by the privatization of their parastatals and liberalization of their markets.

82. She concluded by saying that the European Union wanted to work in a genuine spirit of partnership with African countries as well as with other developed and newly industrialized countries. The European Union wanted focus and coherence in the way the international community addressed the issues.

83. The representative of **China** said that this was the first occasion for the Board, after UNCTAD IX, to review progress in the implementation of the New Agenda for the Development Africa in the 1990s. UN-NADAF had made some progress and some countries had made progress in key areas. He added, however, that a great deal still remained to be done to put the African countries on the path of sustainable development. The share of Africa in world output and also in trade had shrunk. UNCTAD had to intensify its efforts in the implementation of UN-NADAF and the Special Initiative on Africa. He said that China attached great importance to economic ties with Africa and that it had provided assistance to Africa in various ways. China would continue to seek mutually beneficial cooperative arrangements with African countries. His country would encourage Chinese companies to cooperate with Africa. He was optimistic that Africa's own great efforts would produce positive results and ensure a bright future for the continent.

84. The representative of **Japan** noted that Africa faced a continuously deteriorating economic and social situation. This was attributable not only to economic problems but also to natural and man-made disasters such as drought, famine, widespread civil strife and political instability in various parts of the continent. He pointed out that there had been some successes, however, particularly in Southern Africa where some countries had achieved national reconciliation and democratization.

85. The Government of Japan had taken a number of initiatives in favour of African countries. First, there was the Tokyo Conference on International Development (TICAD) in 1993 which reaffirmed that African development was a global priority and that it was important to place at the centre of African development strategies of self-reliance, including good governance and reforms in both the political and economic fields. This conference had been followed up by the Asia-Africa Forum in 1994 held in Indonesia, and regional workshops held in Zimbabwe in 1995 and in the Côte d'Ivoire this year, with a view to facilitating efforts to transfer some of the useful experience and lessons acquired during the process of Asian development. Japan also organized several international seminars in Tokyo on new development strategies.

86. Regarding future initiatives, at UNCTAD IX Japan had given a clear statement on future activities. TICAD II would be held in 1998. Japan had also decided to undertake a series of programmes to assist Africa's efforts in human development, including those in the fields of health and education. He called upon the international community to make special efforts in favour of Africa in the areas of health, strengthening of the private enterprise and in South-South cooperation. His Government was prepared to provide assistance for the health sector. With regard to the development of the private sector, Japan was contributing US$ 300,000 for a project seeking to examine the replicability of the East-Asian experience in Africa. Japan was also contributing US$ 450,000 for technical cooperation in the commodities sector, and was also allocating US$ 2 million out of its contribution to the Japan Human Resources Development Fund at UNDP to promoting South-South cooperation.

87. He concluded by expressing hope that through joint efforts it would be possible to identify ways and means of operationalizing the principles and norms contained in UN-NADAF.

88. The representative of the **Islamic Republic of Iran** recalled that there had been a useful and fruitful discussion of the African situation and UN-NADAF at the informal session organized by the Chairman. He had noted with great interest the intervention of the Japanese delegation which had presented specific

indications of what the Government of Japan had done in favour of African countries. He said that in the post-UNCTAD IX period, his delegation hoped that more of the members of the donor community would undertake similar activities for the benefit of the African countries.